spond to the rising threats to their energy security will also affect rest of the world. Both countries are already taking action.

(d) Various measures are being taken on a continuous basis to reduce the country's dependence on the oil imports, which are as follows:

(i) Carving out more and more areas for exploration for offer under various rounds of New Exploration Licensing Policy (NELP)

(ii) Quicker development of discovered reserves for enabling commencement of production.

(iii) Use of stimulation techniques for increasing production from existing fields.

(iv) Application of Enhanced Oil Recovery (EOR)/ Improved Oil Recovery (IOR) techniques for increasing recovery factor from existing fields.

(v) Arresting decline from ageing fields.

(vi) Substitution of oil through use of non-conventional source of energy such as bio-diesel, ethanol, etc.

(vii) Construction of Strategic Storage of curde oil of 5 MMT capacity at three locations *viz.* Visakhapatnam, Mangalore and Padur, for meeting unforeseen situations arising out of short term supply disruptions, natural calamities, etc.

Launching of NELP-VII

589. SHRIMATI N.P. DURGA: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether it is a fact that New Exploration Licensing Policy-VII (NELP-VII) has been launched recently;

(b) if so, the salient features of the NELP-VII;

(c) the number of oil and gas blocks offered under NELP-VII;

(d) whether there are any oil or gas blocks proposed for offer under NELP-VII;

(e) if so, the details thereof; and

(f) the revenue that Government is expecting to generate through bidding of the above oil and gas blocks?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI DINSHA J. PATEL): (a) Yes, Sir. Government has launched New Exploration Licensing Policy-VII on 13th December, 2007 with bid closing on 11th April, 2008.

(b) Salient features of NELP-VII are given in Statement-I (*See* below).

(c) to (e) 57 exploration blocks (29 onland, 9 shallow water and 19 deep water blocks) are on offer under 7th round of New Exploration Licensing Policy NELP-VII. The details of blocks offered are given in Statement II (*See* below).

(f) Bidding company is required to pay tender fee by the way of purchase of the requisite Data Package of the block to be bid. The revenue to the Government would accrue through payment of royalty and profit petroleum share offered by the contractor in the bid. However, the revenue would be contingent upon actual production of oil and gas after exploratory phase if discovery is made.

Statement-I

Salient features of the Seventh Round of New Exploration Licensing Policy (NELP-VII) in vogue are as under:

- The possibility of seismic option alone in the first phase of the exploration period.
- Upto 100% participation by foreign companies.
- No signature, discovery or production bonus.
- No mandatory state participation.
- No carried interest by National Oil Companies (NOCs).
- Income Tax Holiday for seven years from start of commercial production.
- No customs duty on imports required for petroleum operations.
- Biddable cost recovery limit: Upto 100%.
- Option to amortise exploration and drilling expenditures over a period of 10 years from first commercial production.
- Sharing of profit petroleum with Government of India based on biddable pre-tax investment multiple achieved by the contractor.
- Royalty for onland areas is payable at the rate of 12.5% for crude oil and 10% for natural gas. For shallow water offshore areas, royalty is payable at the rate of 10% for both crude oil and natural gas. For deepwater offshore areas (beyond 400 m iso-bath) royalty is payable for both crude oil and natural gas at the rate of 5% for the first seven years of commercial production and thereafter at the rate of 10%.
- Fiscal stability provision in the contract.

  Freedom to the contractor for marketing of oil and gas in the domestic market.
- Liberal provisions for assignment.
- Arbitration and Conciliation Act, 1996, based on United National Commission on International Trade Law (UNCITRAL) model, applicable.
- To facilitate invertors, Petroleum Tax Guide (PTG) is in place.

Statement-II

Details of Exploration blocks on offer with Block Types and Mandatory Work Programme under New Exploration Licensing Polic-Seventh Round (Nelp-VII)

Sl. No.	Basin	Block Name	Map Ref. No.	Block Type	Approx. Area (Sq. Km.)	Mandatory work Programme 2D Seismic (APT)	
						Grid Size)	Quantum of work In LKM (Approx.)
1	2	3	4	5	6	7	8
	Deep Water Blocks						
1	Gujarat-Saurashtra	GS-DWN-2005/1	D-1	B	5216	-	-
2		GS-DWN-2005/2	D-2	B	5485	-	-
3		GS-DWN-2005/3	D-3	B	6820	-	-
4		GS-DWN-2005/4	D-4	B	6531	-	-

1	2	3	4	5	6	7	8
5	Mumbai	MB-DWN-2005/1	D-5	A	3397	-	-
6		MB-DWN-2005/2	D-6	A	3660	-	-
7		MB-DWN-2005/3	D-7	A	3097	-	-
8		MB-DWN-2005/4	D-8	A	3408	-	-
9		MB-DWN-2005/5	D-9	A	3169	-	-
10		MB-DWN-2005/6	D-10	A	4993	-	-
11		MB-DWN-2005/7	D-11	A	3324	-	-
12		MB-DWN-2005/8	D-12	A	2961	-	-
13		MB-DWN-2005/9	D-13	A	3138	-	-
14	Kerala-Konkan	KK-DWN-2005/1	D-14	B	14675	32x32	1170
15		KK-DWN-2005/2	D-15	B	19234	32x32	1540
16	Krishna-Godavari	KG-DWN-2005/1	D-16	A	1727	16x16	240
17		KG-DWN-2005/2	D-17	A	1949	-	-
18		KG-DWN-2005/3	D-18	A	2246	16x16	310
19	Andaman Offshore	AN-DWN-2005/1	D-19	B	11837	32x32	940
	Shallow Water Blocks						
20	Mumbai	MB-OSN-2005/1	S-1	A	2811	-	-
21		MB-OSN-2005/2	S-2	A	1191	-	-
22		MB-OSN-2005/3	S-3	A	2810	-	-
23		MB-OSN-2005/4	S-4	A	2998	-	-
24		MB-OSN-2005/5	S-5	A	2402	-	-
25		MB-OSN-2005/6	S-6	A	2820	-	-
26	Krishna-Godavari	KG-OSN-2005/1	S-7	A	2810	-	-
27		KG-OSN-2005/2	S-8	A	1881	-	-
28		KG-OSN-2005/3	S-9	A	1697	-	-
	Onland Blocks						
29	Assam-Arakan	AA-ONN-2005/1	1	A	363	-	-
30	Purnea	PA-ONN-2005/1*	2	B	1096	32x32	90
31		PA-ONN-2005/2*	3	B	2552	32x32	200
32	Bengal	WB-ONN-2005/1*	4	B	3172	32x32	250
33		WB-ONN-2005/2*	5	B	3792	32x32	300
34		WB-ONN-2005/3*	6	B	4001	32x32	300
35		WB-ONN-2005/4*	7	B	3940	32x32	300
36	Ganga	GV-ONN-2005/1*	8	B	2202	32x32	170
37		GV-ONN-2005/2*	9	B	1586	32x32	120
38		GV-ONN-2005/3*	10	B	2227	32x32	170
39	Satpura-Rewa	SR-ONN-2005/1*	11	B	789	32x32	60
40	Vindhyan	VN-ONN-2005/1*	12	B	3776	32x32	300
41		VN-ONN-2005/2*	13	B	4908	32x32	390
42	Rajasthan	RJ-ONN-2005/1	14	A	1424	32x32	110
43		RJ-ONN-2005/2	15	A	1517	32x32	120

1	2	3	4	5	6	7	8
44		RJ-ONN-2005/3	16	A	1217	32x32	90
45	Cambay	CB-ONN-2005/1	17	S	61	-	-
46		CB-ONN-2005/2	18-A & B	S	81	-	-
47		CB-ONN-2005/3	19	S	48	-	-
48		CB-ONN-2005/4	20	S	31	-	-
49		CB-ONN-2005/5	21	S	83	-	-
50		CB-ONN-2005/6	22	S	102	4x4	50
51		CB-ONN-2005/7	23	S	199	-	-
52		CB-ONN-2005/8	24	S	133	4x4	60
53		CB-ONN-2005/9	25	S	170	-	-
54		CB-ONN-2005/10	26	A	270	-	-
55		CB-ONN-2005/11	27	A	257	-	-
56	Palar	PR-ONN-2005/1	28	B	1807	16x16	250
57	Cauvery	CY-ONN-2005/1	29	A	946	-	-

* Frontier Block.

Sl. No. 45-53 are Type-S Blocks.

Alternate source of fuel

590. DR. V. MAITREYAN: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether it is a fact that petroleum products are a huge source of drainage of foreign exchange as well as severe polluting agent in the country;

(b) if so, what steps are being taken to identify alternate source of non-polluting fuel for the vehicles in the country;

(c) whether Government has intensified the R&D work in this area; and

(d) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI DINSHA J. PATEL): (a) In 2006-07, net expenditure of foreign exchange equivalent to US$ 39.6 billion was made in trade of petroleum products. During this period, US$ 48.4 billion were spent on the import of crude oil.

(b) to (d) As efforts to suplement the consumption of petroleum products particularly for vehicular application and also to curb emissions, research has been carried out by the Ministry of New and Renewable Energy (MNRE) to explore the possibility of utilizing alternatives for supplementing petrol and diesel. Bio-fuels namely, bio-ethanol and bio-diesel, hydrogen energy and battery operated vehicles have been identified as potential future alternatives to supplement petrol and diesel.

In the area of Bio-fuels, Ethanol-Gasoline fuels having 5% ethanol content is being used in 20 States and 4 Union Territories. Government has plans to introduce 10% ethanol in States where 5% ethanol is already being used. But vehicle manufacturers are asking for more time so as to study the effects of ethanol on material compatibility of in use vehicles.